

SECTION 11 | THE COST OF DELIVERING THE SOLUTIONS

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Costing the options

Costs were estimated on a whole-life basis using consistent, like-for-like assumptions across options.

Options were compared not only on upfront cost, but also on the cost of operating, maintaining and renewing assets over time.

Assurance of costs

An assurance exercise provided added confidence in the cost estimates. Costs were compared against Ofwat econometric models and where a direct comparison was not possible, wider strategic benchmarking was applied to align estimates with established Ofwat positions.

Drawing on experience from major programmes such as the Haweswater Aqueduct Resilience Programme, West Cumbria Pipeline Project and Thames Tideway, lessons learned, risks and deliverability considerations can be used to optimise the preferred approach.

The build up of costs



Capital costs (Capex)

Capital costs represent the investment required to deliver the project, including construction, equipment, materials, and associated project delivery activities.

Cost estimates were developed using a combination of benchmark data from comparable projects and detailed assessments of project requirements. The estimates were prepared in accordance with recognised industry guidance to provide an appropriate level of accuracy and confidence for this stage of project development.



Operational costs (Opex)

Operational costs were calculated for all new assets and include power, chemicals, labour and sustainable drainage maintenance activities.



Repair and maintenance costs

Repair and maintenance costs were assessed over a 100-year period and split across six asset types, each with an appropriate asset life and maintenance profile.

